

**(Washington, DC)** Today, Congressman Alcee L. Hastings (D-Miramar) introduced the *Targeted Tax Lien Act of 2010*

. This legislation will amend the Internal Revenue Code of 1986 to provide the IRS with the means to ensure that a notice of a federal tax lien is filed only when it would be in the best interest of both the IRS and taxpayer.

**(Please find attached a copy of the bill).**

“The *Targeted Tax Lien Act* ends the IRS’s current one-size-fits-all lien filing policy that, in the IRS Taxpayer Advocate’s own words, ‘circumvent the spirit of the law, fail to promote future tax compliance, and unnecessarily harm taxpayers’,” said Hastings. “A public filing of a notice of a federal tax lien often does little to increase the likelihood of collecting the tax liability, yet can impact a taxpayer’s credit and ability to obtain financing, find or retain a job, secure affordable housing or insurance, and ultimately, the taxpayer’s ability to pay the balance.”

The *Targeted Tax Lien Act* requires an IRS supervisor to review and make an affirmative, specific finding on a case-by-case basis that a lien is warranted and not disproportionately harmful to the taxpayer. The bill provides a list of factors to consider, such as the amount due, the value of the property, a taxpayer’s compliance history, and extenuating circumstances. Furthermore, the IRS’s ability to collect tax liabilities will not diminish under these new policies.

A recent IRS National Taxpayer Advocate study suggests that in most instances where the source of payment of a tax debt to the IRS is specified, more than 95 percent of all payments and more than 80 percent of all revenue collected did not result from a notice of lien filing and would have been collected even without the filing. Additionally, a separate analysis performed by the Advocate shows that only about five percent of all payment transactions and approximately twenty percent of the total dollars collected from these taxpayers are attributable to federal tax liens.

“These results suggest that the IRS’s current use of liens may not be furthering revenue collection despite the impact liens have on taxpayers and their credit,” said Hastings. “The current automatic filing process can often result in the filing of a notice of a federal tax lien when another collection technique would have been more appropriate and effective.

“Small businesses and middle class families are most often impacted by an erroneous filing, the *Targeted Tax Lien Act of 2010* will allow the IRS to avoid unnecessary expenses, ensuring it uses its resources more efficiently,” Hastings further noted.

*Congressman Alcee L. Hastings is Vice Chairman of the House Permanent Select Committee on Intelligence, a senior member of the House Rules Committee, and Co-Chairman of the U.S. Helsinki Commission.*

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 [Targeted Tax Lien Act of 2010.pdf](#)